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MEMORANDUM FOR: Deputy Director (Support)

SUBJECT : Comments on that Part of the IG's Report  
Relating to PAPS

1. The most significant recommendations of the IG's report on PAPS are contained in paragraph 7, relating to the location and existence of PAPS. These raise questions of basic policy and Agency organization.

2. The Agency's regulatory system does more than simply establish administrative procedures. A major purpose and effect may be loosely described as protection of the Government's interest, and this means fixing responsibility and maintaining accountability for money and material until they reach the ultimate recipient and also it means controlling the activities of people. This aspect of the body of regulations ultimately rests within the jurisdiction of the DD/S. To be sure, the divisions and staffs of the DD/P, as part of their responsibility for planning and carrying out operations are also responsible for protection of the Government's interest. However, their primary interests are in launching and carrying out projects and this leads to subordination of protection.

3. As the IG says, an Administrative Plan is essentially a device to permit special handling of special projects--usually involving a relaxation of the regulations and established procedures--where full protection of the Government's interest is not possible. There is another major purpose of the administrative planning process which is to provide guidance and controls for the administration of certain types of projects such as those involving proprietary organizations, where no Agency regulations exist. However, our concern here is principally with relaxation of regulations.

4. Now, at present, authority to relax regulations is vested in the DD/S and this seems to be proper. PAPS acts for him in providing a forum in which the operating personnel can demonstrate the need for the relaxation sought. In this forum is brought to bear the kind of judgement required to make the decisions as to the necessity for and extent of relaxation, subject of course, to review and approval by the DD/S. The DD/P's function in the planning process is first to justify the need for relaxation and secondly, after a degree of relaxation has been specified, to determine whether or not the project can effectively be carried out under the terms of the Plan that is drafted.

5. Determination of whether or not any relaxation is really necessary and if so, how much, requires the exercise of judgement which is influenced but not controlled by operating urgencies. This decision in every case involves a balance between the risk resulting from relaxation

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and the potential value of success. Since, in our opinion, it is not possible to draw a sharp distinction between "operational determinations" and "support determinations" this balance must involve consideration of both on the basis of all relevant facts. This poses a dilemma for the Agency. To vest this authority to relax regulations in the operating personnel who are the very people whom the regulations are designed to govern would negate a major purpose of those regulations. On the other hand, it would be intolerable to place the DD/S in a position to overrule all operational decisions of DD/P elements.

6. It seems to me that we now have a reasonably effective solution of this dilemma in the Office of the SSA-DD/S, the members of which are in a position to obtain the detailed factual information necessary to reach sound judgements, have wide experience in operations and who at the same time are charged with essentially support activities on behalf of the DD/S. An essential elements in the functioning of the SSA-DD/S in the planning process is the delegation from the DD/P to the SSA-DD/S to approve Administrative Plans on behalf of the DD/P. This delegation gives the SSA-DD/S authority to secure the necessary factual data and also charges him with responsibility to see that projects can effectively be carried out with the minimum amount of relaxation of regulations. To perform the detailed fact-gathering, negotiation and discussion on behalf of the SSA-DD/S, it seems entirely appropriate that the PAPS function be located in the Office of the SSA-DD/S.

7. It has been proposed that the initial responsibility for preparation of Administrative Plans should be placed on the Division Chiefs of Support and this seems entirely fitting and proper to me with certain limitations. The primary function of the Division Chiefs of Support is to serve the purposes of the operating elements. It seems unfair to place upon them the burden of being entirely responsible for a judgement which frequently will be at variance with the immediate objectives of the operating personnel. That is not to say that they should not make such judgements but rather that final responsibility should be placed elsewhere-- in our opinion in the SSA-DD/S with the concurrence of DD/S.

8. We suggest therefore the following arrangement to handle the administrative planning process which may take some time to achieve but which is a suitable ultimate objective:

(1) The Division Chiefs of Support should be charged with initial preparation of all Administrative Plans and except when expressly otherwise determined by DD/S such preparation should proceed simultaneously with preparation of project outlines;

(2) As at present, SSA-DD/S would be vested with authority to approve Administrative Plans on behalf of the DD/P which approval will include the determination that the project can effectively be

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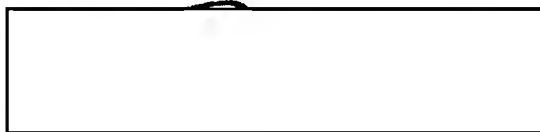
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carried out within the terms of the Plan. However, this is practical if and only if the SSA-DD/S is expressly authorized by the DD/P to obtain any and all information related to the project concerned;

(3) SSA-DD/S should have a small staff of experts to represent DD/S who will be available to the Division Support Staffs for advice and assistance in preparation of Administrative Plans. It should be required that in every case involving a Plan the SSA-DD/S staff experts will be called upon at the point in project development at which the specific nature of the project is formulated. In other words, the SSA-DD/S staff experts will enter the process when the objectives of the project have been determined, when the assets have been located, and the detailed administrative arrangements are initiated.

9. We agree with the rest of paragraph 7 of the IG's report. We take exception to some of the narrative remarks but since they are not germane to the recommendations we see no need to comment in detail. We disagree with the implication in the recommendation of paragraph 8 and recommendation 2 of paragraph 9 that the Comptroller's Office, in giving "technical guidance to DD/P components" would constitute the sole such advisor speaking for the DD/S. We question whether regulations should penetrate so far into organizational structure as to specify who should prepare Administrative Plans as stated in recommendation 1 of paragraph 9. Assignment of this responsibility, it seems to us should be left to a less formal means than a regulation. We are concerned about recommendation 3 of paragraph 9 only because of the implication that the DD/S should not participate in the administrative planning process. Finally, we agree with the recommendation in paragraph 11.



Project Administrative Planning Staff, DD/S

PAPS/DDS/mah  
(8 August 1956)

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